



**Remarks by the Minister of Energy, Ms Dipuo Peters, MP, during the Dinner with  
the Kouga Business Community  
14 March 2013, St Francis Golf Lodge**

Programme Director, Cllr Camealio-Benjamin

Kouga Executive Mayor, Cllr Koerat

Other Councillors from the Municipality

DDG, Dr. Barnard

Leadership of our SOEs

Captains of Industry and Representatives from the Business Community

Distinguished Guests

Ladies and Gentlemen

Good Evening, Goeie naand, Molweni

It is really my honour to be addressing you today, for this long overdue engagement in the Eastern Cape province, home to what will be a hub of energy infrastructure activity, including renewables and nuclear power.

I get the feeling that this region is ripe for infrastructure and social development. Access to the sea, as one of the cheapest modes of transport heavily counts in your favour. You are halfway between the East and West, a perfect docking point not only for supplies, but goods as well. There are niche successes in this area, for example, the motor vehicle industry is testimony to prove you have what it takes given the opportunity.

Opportunity is what I speak about today. I trust that this message will live long in your memory, and be realised as one of the turning points in the history of this province and our country.

With regards to nuclear, South Africa is currently home to two nuclear power reactors in the Western Cape, near Cape Town.

As South Africans, we put forward our nuclear ambitions in the Nuclear Energy Policy of 2008. Basically, this has solidified our vision to have a nuclear power programme in the country.

Following that, in 2011, just a week after the Fukushima Disaster, we endorsed the Integrated Resource Plan 2010-2030. In this plan, we indicated the need to bring online 9600MWe of nuclear power by 2030. This amounts between 6 to 10 nuclear reactors, depending on the technology chosen. Are we the only ones?

Germany has declared a position of phasing out nuclear power due to public opposition after the Fukushima Daiichi Nuclear Accident in Japan. So has Italy, Spain and Switzerland. Let us not escape our minds that Germany's reactors were already about to be decommissioned when the accident occurred.

In perspective, there are over 400 nuclear reactors operating in the world today, with more than 100 in the USA alone. In terms of new nuclear build, China is constructing more than 25 nuclear reactors as we speak, India and Russia at least another 7 each, USA and Europe another 5. In terms of plans, China plans to have constructed another 50 reactors by 2030, with other countries in proportion.

So there is a mixed bag, in the end, it comes down to price and climate change. German electricity prices have already increased significantly because of its decision, and they have decided to build new coal powered stations to compensate. They are increasing their carbon footprint whilst our NDP vision 2030 drives us to a low carbon economy.

Like with our demographics, we are a diverse country, and nuclear is just one of the many energy sources we would like to tap into.

I am sure you know by now that Government, through Eskom aims at locating the first new nuclear power plant at Thyspunt, not too far from here. The Environmental Impact Assessment has been underway since 2006. Its purpose is to demonstrate that the impact on the environment does not outweigh the benefits derived from the deployment of the power station in this area. It considers all factors, including social, economic, geological, climate, natural environment, etc.

When the Department of Environmental Affairs issues a positive Record of Decision on the report, Eskom will then proceed with the Nuclear Safety Licence from the NNR, a process which can take up to four years before full construction work can commence on the site.

Close by to Thyspunt we have the Kouga Industrial Development Zone – targeted for major industry development due to its close proximity to a versatile harbour. The harbour is required because some of these components are very large – weighing 300 tons plus. This would also minimise road transport – We don't want such large payloads to be damaging our roads and obstructing your daily lives.

This is the perfect location for setting up a nuclear manufacturing hub – where we can produce most of the components that fit into these nuclear power plants. We call this localisation. Some will say that we cannot achieve this, but I have seen no less than 5 countries achieve this successfully.

They have taken American technology and localised it to an extent that they are now the dominant suppliers and even beating the Americans. Some have come from a lesser knowledge base than us and in 30 years become a formidable competitor in the global nuclear market.

Nuclear manufacturing is of such a high quality and standard that we would be able to manufacture for any sector once we achieve this. Right now we are importing special coded welders to work on our coal powered stations being built in Mpumalanga. With the nuclear programme we would have these skills in sufficient numbers to also become an exporter of such services.

When companies see high tech skills in our country, and more specifically in this region, they will be more encouraged to invest in setting up industries here and that means more jobs for everyone. The steps towards creation of a local industry around nuclear will be the essential stepping stone towards greater industrial development. I encourage you to look at other countries to see where this has happened. South Korea, France, Russia and the United Arab Emirates serve as case studies.

During the construction phase of a single nuclear power reactor, there are jobs for around 5000 people at the peak on site, but this reduces to about 1000 for operations and maintenance. It is our intention to phase in our construction so that the peak jobs can be maintained on a more sustainable basis.

Because of the high skills requirement for working on a nuclear power plant, those members of our community that will be trained will be able to apply their skills to almost any other industry or sector. A boilermaker for a nuclear vessel is able to be a boilermaker for the petroleum or chemicals industry, but not the other way around.

When people are skilled for the nuclear industry, we do not speak about jobs, but careers. There is a constant updating and refreshment of skills to keep up with the latest developments and changes from the international community.

Others are concerned about tourism in the area, and the effect that a nuclear plant will have on this. Current studies abroad indicate that nuclear power plants have no effect or a positive effect on tourism after construction. The infrastructure developed would increase the levels of accommodation and other facilities for tourists. Property values have also been shown to increase in communities around nuclear power plants. Consider even our very own Melkbostrand area near Koeberg nuclear power station. A very tourist and sought after property market.

In November 2012, Cabinet endorsed the NNEECC decisions of the Owner and Operator of Nuclear Power Plants to be Eskom, as stated in the Nuclear Energy Policy of 2008. Also endorsed was the Communication and Stakeholder strategy and Phase Decision Making Approach for the implementation of the nuclear build programme.

As part of the implementation of the IRP, the Department of Energy (DoE) identified the International Atomic Energy Agency (IAEA) Integrated Nuclear Infrastructure Review (INIR) document as a tool that can benefit the country by evaluating its readiness in the addition of the 9.6 GW into the grid. The country followed the guidelines from the IAEA and formed the INIR team locally and completed self-evaluation report, this was to be followed by the peer evaluation by the IAEA INIR mission experts

Last month marked the end of another Milestone in the South African nuclear industry where the IAEA ended their peer review Mission of South Africa. The IAEA INIR Missions have never visited a country with existing nuclear program and this classifies South Africa as the first country, while having an existing nuclear programme to use the INIR approach since the program was designed especially for new comer countries.

During this same period we hosted the Director General of the IAEA Mr Yukiya Amano, and he had an opportunity to interact with key nuclear industry stakeholders and visited our nuclear installations. This was a memorable occasion for our nuclear industry.

Ladies and Gentlemen,

The time has come for me to conclude,

In summary, I think that the nuclear programme will bring significant stimulus to the Koege Industrial Development Zone, not only in the form of electricity, but as a significant source of industrial development as well and expanded tourist attraction. In other countries, municipalities are competing against each other to host nuclear power plants. I encourage you to visit or contact some of them to hear their views.

I would like to say that I hope one day when we look at the wonderful nuclear power plant and industry built in this area, we will look at ourselves as the pioneers who ensured the prosperity of this area is shared amongst all.

Thank you